

Congress of the United States
Washington, DC 20515

February 1, 2006

Honorable Vern Ehlers
Chairman
Committee on House Administration
1309 Longworth Building
Washington, D.C. 20515

Honorable Juanita Millender- McDonald
Ranking Member
Committee on House Administration
1216 Longworth Building
Washington, D.C. 20515

Dear Mr. Chairman and Madam Ranking Member,

We are enclosing for your information an article that appeared in the *Contra Costa Times*, a newspaper that circulates in both of our congressional districts, which describes in detail the questionable use of a significant amount of taxpayer funds on behalf of a staff member of the House Resources Committee who is also on the congressional staff of our colleague, Congressman Richard Pombo. We respectfully request that, after reviewing this article and the issues it raises, you make a determination as to whether the current arrangement described in it is allowed or whether it is in violation of one or more rules of the House and regulations set forth by the House Administration Committee.

We are deeply concerned about this arrangement because we believe that all members of the House must live under one set of rules for the protection of the taxpayers. We are also concerned because our own constituents who have read this newspaper article have expressed their concerns about whether their tax dollars are being misused.

The arrangement described in this article is certainly unusual and it may, in fact, be unique. It also may be in violation of numerous rules of the House and committee regulations. When concerns were first raised about this arrangement nearly two years ago, the then-chairman of your committee dismissed the concerns and said they did not need to be examined. Clearly, more information about the arrangement has come to light since then and we believe that it is very important that your committee investigate now fully this matter.

Thank you for your attention to our request.

Sincerely,


George Miller, MC


Ellen Tauscher, MC

Contra Costa Times

Pombo aide under fire for finances

By Thomas Peele
CONTRA COSTA TIMES

Rep. Richard Pombo's top aide might have violated congressional ethics rules by not correctly reporting all of his outside political work and making too much money from California campaigns and consultants, the aide said Friday.

Steven Ding regularly worked for candidates and organizations with close ties to Pombo, a Tracy Republican who is chairman of the House Resources Committee.

Ding's admission, in response to a Times investigation of his activities, raises questions about his outside work and a special arrangement under which Pombo has allowed him to spend more than \$87,000 in taxpayer money on travel, meals and lodging during the past three years.

Despite being chief of staff to the Washington-based Resources Committee, and being paid more than \$150,000 a year from the committee's budget, Ding works primarily from California and commutes to Capitol Hill at taxpayers' expense when the committee is in session.

Congressional observers called the situation unusual, a waste of public money and a questionable interpretation of house rules. Pombo and Ding insist the travel expenses, which include lodging and meals in Washington, are legitimate.

House rules on travel and spending prohibit using a member's district budget for committee expenses. They also state that "living expenses and commuting expenses are not reimbursable when they are incurred at the staff member's duty station."

In addition to his committee post, Ding is also listed in records as chief of the congressman's personal staff, a position for which Pombo pays him \$100 a month from his district office budget. The listing allows Ding to bill taxpayers for his frequent travel between Washington and California.

Even though he describes Ding as his chief of staff who controls all aspects of both his personal and committee operations, Pombo pays another staff member more than \$120,000 a year from his district budget as deputy chief of staff. The two jobs don't overlap, Pombo said.

While in California, Ding does consulting for Republican candidates and consultants with

close ties to Pombo, from the state GOP to Pombo's longtime political adviser, whom the congressman has paid more than \$1.45 million in fees and expenses since 1992.

As a committee chief of staff, Ding has to report his outside income on annual financial disclosure statements and adhere to rules that limit how much top congressional employees can make from outside work.

Those limits are in place to ensure that top staff members with ample access to power spend a majority of their time working for taxpayers.

Federal and state documents show that at least four times since 2000, Ding either underreported his outside income or exceeded the limits. The discrepancies were found when the Times compared Ding's disclosure statements to the campaign finance reports filed by candidates who had paid him consulting fees.

Friday, Ding said the Times findings were accurate and that he had made mistakes. He said he would file amended disclosures with the House as soon as possible.

Describing himself as "not a 9-to-5" guy, he said he works 80 to 90 hours a week for both the Resources Committee and Pombo's district operations.

"The committee gets its money worth. I don't enjoy getting on a plane every week," he said.

Any errors on his disclosure statements and instances where he exceeded income limits were inadvertent and can probably be blamed on his hectic pace and schedule, he said. The newspaper's findings show:

- In 2000, Ding failed to report \$1,000 he received from a state Senate campaign.
- In 2002, he exceeded the outside income limit by \$5,000.
- In 2003, he underreported his outside income by nearly \$15,000, listing what he said was a net amount after business expenses, rather than a gross figure. The gross figure - \$35,000 - exceeded the limit for the year by nearly \$12,000.

Ding insisted Friday that he believed the disclosures were accurate when he filed them. And he said the House Ethics Committee, which is charged with reviewing the documents, never notified him of any problems.

A spokesman for Ethics Committee Chairman Rep. Doc Hastings, R-Washington, did not return several telephone calls last week.

Pombo did not return a message left with the Resources Committee spokesman Friday about Ding's admission that he filed inaccurate economic interest forms.

In an e-mail, Pombo spokesman Brian Kennedy said Pombo remained confident in Ding's integrity and that taxpayers were well served by his work.

Exceeding the income limit or failing to report income to Congress can result in fines of \$10,000, or the amount of income underreported or in excess of the limit.

Ding said he could "very well be in violation" of ethics rules and he was "concerned with making this situation right. I am concerned with not embarrassing myself or my boss."

In filling out his disclosure form for 2003, Ding reported \$20,046 in outside income, a figure that he said was the net amount for work after deducting business expenses. He grouped two sources of income together to reach that net figure.

On the four other years of his disclosures, he listed each source of income separately by year and gross amount.

"The declaration of net income for a year that the gross of the fees received far exceed the income limit is troubling," said Larry Noble, a former general counsel of the Federal Election Commission and the executive director of the Center for Responsive politics, a nonpartisan watchdog group.

The congressional rules governing disclosure state that they are in place "to inform the public about the financial interests of government officials in order to increase public confidence in the integrity of government and to deter potential conflicts of interest."

Documents show that Ding received \$114,240 in outside income between 2000 and 2004, the last year for which records are available. (Disclosures for 2005 are due in May).

All the sources of that income are political campaigns and consultants with ties to Pombo.

Ding said Friday he would not have been able to continue that work after 2003 if he had moved to Washington when Pombo appointed him Resources Committee chief of staff.

Since then, records show he spent more than \$87,000 from Pombo's district budget on travel, lodging and meals from January 2003 to July 2005. During that same period, he received more than \$57,000 in consulting fees, according to documents.

Also during that time, Ding received nearly all his congressional salary - \$417,933 - from the budget of the Washington-based Resources Committee.

Although Pombo insisted that Ding serves as both his personal and committee chiefs of staff, Noble and other Congressional watchdogs said the pay records make it clear that Ding works for the committee, a Washington-based job.

The travel arrangement "sounds absurd," said Fred Wertheimer, the former director of

Common Cause who now heads the group Democracy 21.

"Whether this is in compliance with House ethics rules or not, this is not the way a chief of staff of a congressional committee should be functioning," he said.

Robert Williams, project Director of the Center for Public Integrity, said, "The guy is on the staff of the committee. The committee is here in Washington, and that's where he should be working. You're supposed to be prudent with citizens' money."

On Wednesday, Pombo defended the arrangement: "I want my chief of staff in California."

The public is better served when top staff members "spend as much time as they can outside the Beltway," he said.

Congressional staff members who split their time between committee and district duties are not uncommon. But, Wertheimer said, he had never heard of a committee chief of staff not based in Washington.

Ding worked on Pombo's successful 1992 congressional campaign and then joined his staff. When Pombo became resources chairman in January 2003, he named Ding the committee's chief of staff, its highest officer, but agreed to let him continue to stay in Stockton, where he lives. Ding continued his political consulting even while commuting often to Washington.

In addition, IRS documents show Ding is the director of a Sacramento-based federal political action committee, WestPac, that supports conservative congressional candidates and causes in Western states. Noble said Ding's outside work was troubling, in part, because many of Ding's payments come from people who receive political work from Pombo. In another instance, payments came from a candidate to whom Pombo gave money. That could lead to the impression that Ding is being compensated for steering work or money to them, rather than providing consulting services, Noble said.

In 2000, 2002 and 2003, Ding received fees from a state legislative candidate who had earlier received contributions from a state political action committee that Pombo controlled. According to state documents, Ding was in charge of that political action committee's expenditures, and it raised money from donors who also routinely gave to Pombo's federal re-election account.

Pombo gave up control of the committee -- named Hat PAC, an apparent reference to his fondness for cowboy hats -- after a campaign finance reform law prohibited members of Congress from being involved in state political action committees.

"You have to worry that allowing such income, especially when it is so closely associated with Pombo politically, is a reward," Noble said.

Pombo said last week that Ding's outside work had nothing to do with his decision to allow Ding to base his committee duties in California. "I don't see how they are connected," he said.

Rep. Zoe Lofgren, D-San Jose, a member of the House Administration Committee, briefly questioned Pombo last year about Ding's travel during a hearing. Because that hearing involved other matters, the committee's chairman, Ohio Republican Bob Ney, told Pombo he didn't have to answer Lofgren's questions.

Told how much Ding had spent on travel since becoming resources chief of staff, Lofgren said last week, "I think the committee staff really doesn't have a work station in the district. The committee staff works for the committee, not the chairman. I think that violates the rules."

Another congressional watcher, the director of Citizens for Ethics and Responsibilities in Washington, faulted both political parties with creating a lax atmosphere in Congress about ethics rules compliance.

"The House Ethics Committee doesn't look at anything," said Melanie Sloan, director of Citizens for Ethics and Responsibilities in Washington.

"These are serious issues, but no one looks at them. No one wants the ethics rules enforced. They deliberately undermine their own rules. Both parties are to blame," she said.

Thomas Peele is a Times investigative reporter. Reach him at 925-977-8463 or tppee@cctimes.com. Staff writer Lisa Vorderbrueggen contributed to this story.